

MAY 14, 2021

The parties appearing before the Commission in this Docket were Dominion Energy South Carolina, Incorporated (“DESC” or “Company”), Dominion Energy, Incorporated (“Dominion Energy”), and the Office of Regulatory Staff (“ORS”) (collectively, referred to as the “Parties” or sometimes individually as a “Party”). Pursuant to S. C. Code Ann. § 37-6-604(C) (2015 & Supp. 2020), the South Carolina Department of Consumer Affairs (“Consumer Affairs”) was provided notice of this Docket; however, Consumer Affairs did not intervene or otherwise appear.

Oral Arguments in this matter were held at the Commission's Hearing Room, beginning on February 19, 2020, at 10:00 a.m. The Honorable Florence P. Belser is recused from this Docket and to related Docket Nos. 2017-207-E, 2017-305-E, and 2017-370-E.

ORS was represented by Jeffrey N. Nelson, Esquire.

DESC was represented by K. Chad Burgess, Esquire, and Matthew W. Gissendanner, Esquire, with only attorney Burgess appearing and presenting during the Oral Arguments before the Commission for DESC.

I. INTRODUCTION

This Docket is the result of three proceedings involving the merger of SCANA Corporation ("SCANA") and Dominion Energy in Docket No. 2017-370-E and two associated proceedings – one filed by the Friends of the Earth and Sierra Club versus Dominion Energy South Carolina, Inc. (f/k/a South Carolina Electric & Gas Company), Docket No. 2017-207-E, and the other which is the Request of the Office of Regulatory Staff for Rate Relief to Dominion Energy South Carolina, Inc.'s (f/k/a South Carolina Electric & Gas Company) Rates Pursuant to S.C. Code Ann. § 58-27-920 in Docket No. 2017-305-E. As part of the approval of the merger between Dominion Energy and SCANA, the Commission also approved certain merger conditions that require compliance by Dominion Energy and by DESC. Order No. 2018-804 approved the merger, among other things, between Dominion Energy and SCANA so that effective on January 1, 2019, SCANA merged with Dominion Energy and SCANA then became a wholly owned subsidiary of Dominion Energy and DESC became an indirect subsidiary of Dominion

Energy. The merger did not alter the corporate relationship between SCANA and DESC. DESC continues to be a wholly owned subsidiary of SCANA.

One of the merger conditions by the Commission requires that Dominion Energy and DESC shall “adopt and agree to adhere to a Code of Conduct developed in collaboration with the ORS and approved by the Commission.” Order No. 2018-804, Order Exhibit No. 1, p. 6, §F.7. The Commission by its Order No. 2018-804 further requires DESC’s Proposed Code of Conduct to:

be developed to assure that the utility and its officers, employees and agents act to assure that they adhere to their duty to avoid the concealment, omission, misrepresentation, or nondisclosure of any material fact or information in any proceeding or filing before the Commission or ORS.

Order No. 2018-804, p. 101 (emphasis added). The Proposed Code of Conduct must facilitate this mandatory merger condition so that Dominion Energy and DESC (f/k/a SCE&G) maintain a commitment (a) to communicate all material information within a reasonable period of time with ORS and to the Commission, (b) to be transparent with regard to all nonprivileged information, and (c) to be transparent with regard to all confidential and proprietary information subject to appropriate protections for such confidential and proprietary information. Id.

Dominion Energy and DESC began the process working with ORS to develop a revised Code of Conduct for Dominion Energy and DESC on March 15, 2019. See, DESC Letter dated July 1, 2019 in Docket Nos. 2017-207-E, 2017-305-E, & 2017-370-E, p. 2,

¶2. DESC reviewed the requirements of Order No. 1992-931¹ and of Order No. 2018-804, as well as evaluated the terms and conditions applicable to Dominion Energy and its affiliates from the North Carolina Code of Conduct, to create its proposed Code of Conduct filed with the Commission on July 1, 2019. See, DESC Letter dated July 1, 2019 in Docket Nos. 2017-207-E, 2017-305-E, & 2017-370-E, p. 4-21 (“Proposed Code of Conduct”). DESC represents to the Commission that it collaborated with ORS to reflect the terms of Order No. 2018-804, and to include affiliate transaction requirements from prior Commission Orders. These prior Commission Orders are:

(1) Order No. 1989-379 issued on April 12, 1989, in Docket No. 1988-681-E, establishing Docket No. 1989-230-E/G for the purpose to “fully investigate the transfer of property, along with the allocation of expenses, revenue and plant by SCE&G to SCANA or any of SCANA’s affiliated Companies;” thereby, providing Order No. 1992-931 setting forth specific reporting requirements for SCE&G (now DESC) and SCANA’s regulated affiliates concerning transactions between them, including financial transactions, affiliated transactions, and real property transfers. See, Order No. 1989-379, Order No. 1992-931 and its Appendix A.

(2) Order No. 1992-931 issued on November 13, 1992, in Docket No. 1989-230-E/G approving final Recommendations and Reporting Requirements for SCE&G concerning recommendations and reporting requirements for financial transactions,

¹ In 1992, the Commission issued Order No. 1992-931 in Docket No. 1989-230-E/G approving final recommendations and reporting requirements for South Carolina Electric & Gas Company concerning recommendations and reporting requirements or financial transactions, affiliate transactions, and property transactions.

affiliate transactions and property transactions. *See, Order No. 1992-931 and its Appendix A.*

DESC further represents that the proposed changes in its Code of Conduct do not affect any transaction between DESC and SCANA,² or between DESC and any Regulatory Subsidiary,³ occurring before the effective date of this Order (approving the revised DESC Code of Conduct) as such transaction(s) shall be governed by Order No. 1992-931 unless otherwise required by Commission Order No. 2018-804. DESC also proposed that the changes to its Code of Conduct as revised in this Docket shall apply to any and all transaction(s) between DESC and SCANA, or between DESC and any Regulatory Subsidiary, occurring on or after the date of this Order approving the revised DESC Code of Conduct.

In compliance with Order No. 2018-804, DESC submitted its proposed Code of Conduct which establishes guidelines and rules that apply to the relationships, transactions, and activities involving the electric and natural gas operations of DESC, the parent company Dominion Energy, SCANA and certain other affiliates. *See, DESC Letter dated July 1, 2019 in Docket Nos. 2017-207-E, 2017-305-E, & 2017-370-E, pp. 4-21.*

On August 2, 2019, ORS advised that it collaborated with DESC to review and make recommendations on DESC's proposed Code of Conduct, which DESC filed on July 1, 2019 in Docket Nos. 2017-370-E, 2017-207-E, and 2017-305-E. The proposed Code of

² SCANA shall mean SCANA Corporation and any successor company.

³ All references in this Order and in the Code of Conduct to "Regulatory Subsidiary" shall mean any subsidiary of Dominion Energy, Inc., SCANA or DESC that is subject to the jurisdiction of the Public Service Commission of South Carolina.

Conduct contains many positive aspects resulting from a good-faith collaborative effort between DESC and ORS. However, ORS recommends the Commission consider inclusion of similar customer protections that are already included in the North Carolina Code of Conduct used by DESC's parent company (i.e., Dominion Energy, Incorporated) and affiliates for its North Carolina customers. It is ORS's position that it is not improper to mirror the consumer protections provided in North Carolina so that the same protections are available for DESC's South Carolina customers; whereas DESC asserts that ORS did not explain "why the inclusion of these provisions was necessary." Tr. p. 7, ll. 16-17.

The Commission ordered the opening of this Docket on December 27, 2019, for the purpose of learning more from DESC and the ORS regarding the proposed Code of Conduct by DESC and the comments of ORS regarding the proposed Code of Conduct and the relevancy of the North Carolina provisions proposed as applicable to DESC's South Carolina operations, as well as for clarification of DESC's proposed waiver clause. While ORS expressed general agreement with the proposed Code of Conduct, ORS proposed six (6) additions and one (1) deletion from the proposed Code of Conduct which are similar to clauses that exist in Dominion Energy's Code of Conduct in North Carolina. ORS and DESC were unable to reach agreement on those items, and the Commission set the matter for Oral Arguments in Docket No. 2019-386-E.

II. DISCUSSION

In compliance with Order No. 2018-804, DESC has submitted its 2019 Code of Conduct. See, DESC Letter dated July 1, 2019 in Docket Nos. 2017-207-E, 2017-305-E, & 2017-370-E, pp. 4-21; DESC Letter dated October 17, 2019 in Docket Nos. 2017-207-

E, 2017-305-E, & 2017-370-E. The Company represents that its proposed Code of Conduct establishes guidelines and rules that apply to the relationships, transactions, and activities involving the electric and natural gas operations of DESC, the parent company Dominion Energy, SCANA, and certain other affiliates. The Company's proposal also retained certain language related to preserving its rights to self-advocacy in Section III(E)(4) regarding the provision of accurate and truthful information. ORS expressed the position that there is no need to include such language in the Code. The Company argues that the language addresses times when Dominion may be required to seek a waiver of Code of Conduct requirements for specific transactions or programs. Tr. p. 4, l. 5 thru p. 22, l. 11.

ORS filed comments regarding DESC's proposed revised Code of Conduct. ORS proposes to include additional customer protections to DESC's Code of Conduct which are similar to those afforded to Dominion Energy North Carolina's customers by the North Carolina Utilities Commission. ORS Letter dated July 24, 2019 and Attachment in Docket Nos. 2017-207-E, 2017-305-E, & 2017-370-E; ORS Letter dated August 2, 2019 and Attachment in Docket Nos. 2017-207-E, 2017-305-E, & 2017-370-E; & ORS Letter dated November 5, 2019 in Docket Nos. 2017-207-E, 2017-305-E, & 2017-370-E. While ORS expressed general agreement with DESC's proposed Code of Conduct, ORS proposed the following six (6) additions and one (1) deletion from DESC's proposed Code of Conduct:

1. A non-discrimination clause to help ensure equality in DESC's various affiliate transactions. ORS proposed a non-discrimination clause similar to the one

included in the North Carolina Code of Conduct for DENC⁴ and PSNC⁵ to ensure equality in DESC's various affiliate transactions and the manner in which it responds to customer requests for information. The North Carolina Code of Conduct provision prohibits discrimination against non-affiliated entities. The Commission finds and concludes that this suggestion by ORS requires that the companies or employees of the companies abide by certain nondiscriminatory practices, including avoiding giving preferences to affiliate relative to nonaffiliates, apply tariffs equally, and provide consistency in the response and approach to requests for service. ORS further asserts that this change is needed to ensure impartiality in the business dealings as required by Commission Order No. 2018-804, p. 100-101.

ORS PROPOSED ADDENDUM #1: Non-Discrimination

ORS recommended the inclusion of the following language with respect to this provision:

“1. General — DESC's employees and representatives shall not unduly discriminate against non-Affiliated entities.

2. Preferences — In responding to requests for electric services, natural gas services, or both, DESC shall not provide any preference to DESC, another Affiliate, or a Non-Regulated utility operation, or to any customers of such an entity, as compared to non-Affiliates or their customers. Moreover, neither DESC, Dominion Energy, nor any other Affiliates shall represent to any person or entity that Dominion Energy, another Affiliate, or a Non-Regulated utility operation will receive any such preference.

⁴ Dominion Energy North Carolina, Inc. (“DENC”) does business in the State of North Carolina and not in the State of South Carolina.

⁵ Public Service Company of North Carolina, Inc. (“PSNC”) does business in the State of North Carolina and not in the State of South Carolina.

3. Application of Tariffs — DESC shall apply the provisions of their respective tariffs equally to Dominion Energy, the other Affiliates, the Non-Regulated utility operations, and non-Affiliates.

4. Requests for Service:

a. DESC shall process all similar requests for electric services, natural gas services, or both, in the same timely manner, whether requested on behalf of Dominion Energy, another Affiliate, a Non-Regulated utility operation, or a non-Affiliated entity.

b. DESC shall treat similarly situated shippers in the same manner with respect to the delivery of gas on distribution facilities, contract terms, the scheduling of gas supplies, balancing provisions, and allocation of gas supplies and capacity at city gate stations.

c. DESC shall post on its website its criteria for evaluating proposals from shippers. DESC shall not give one shipper any form of preference over other similarly situated shippers in matters relating to assignment, release, or other transfer of capacity rights on interstate pipeline systems.

5. Speaking for Utility — No Personnel of DESC, Dominion Energy, or another Affiliate shall indicate, represent, or otherwise give the appearance to another party that DESC or another Affiliate speaks on behalf of DESC; provided, however, that this prohibition shall not apply to employees providing shared services or to employees of another Affiliate to the extent explicitly provided for in an affiliate agreement that has been accepted by the Commission. In addition, no Personnel of a Non-Regulated utility operation shall indicate, represent, or otherwise give the appearance to another party that they speak on behalf of DESC's regulated public utility operations.

6. Advantages — No Personnel of DESC, another Affiliate, or a Non-Regulated utility operation shall indicate, represent, or otherwise give the appearance to another party that any advantage to that party with regard to electric services or natural gas services exists as the result of that party dealing with DESC, another Affiliate, or a Non-Regulated utility operation, as compared with a non-Affiliate.

7. Tying — DESC shall not condition or otherwise tie the provision or terms of any electric services or natural gas services to the purchasing of any goods or services from, or the engagement in business of any kind with, DESC, another Affiliate, or a Non-Regulated utility operation.

8. Information to Customers:

a. When any DESC personnel receives a request for information from or provides information to a Customer about goods or services available from DESC, another Affiliate, or a Non-Regulated utility

operation, the personnel shall advise the Customer that such goods or services may also be available from non-Affiliated suppliers.

b. All DESC information pertaining to interstate pipeline transportation, storage, distribution, or gas supply that is provided to a gas marketing affiliate shall be made available to all shippers on a contemporaneous, nondiscriminatory, and non-preferential basis by posting the information on its website and provided in a written form upon the request of a shipper. Aggregate customer information and market data made available to shippers shall be made available on a similar basis.

c. DESC shall post on its website a current list of contact persons and telephone numbers of all gas marketers that are active on its system.

9. Disclosure of Customer Information — Disclosure of Customer Information to DESC, another Affiliate, or a Non-Regulated utility operation, or a non-Affiliated entity shall be governed by Sections III(D) and IV(D) of this Code of Conduct.

10. Unless otherwise directed by order of the Commission, electric generation shall not receive a priority of use from DESC that would supersede or diminish DESC's provision of service to its human needs firm residential and commercial customers.⁶

11. DESC shall file an annual report with the Commission summarizing all requests or inquiries for natural gas services made by a non-utility generator, DESC's response to the request, and the status of the inquiry.”

2. A marketing clause that would define how DESC may market sales, calls, proposals, and advertising with affiliates and non-regulated utility operations. The Commission concludes that a similar provision in this Code of Conduct for DESC, as found in North Carolina, would ensure transparency in any marketing materials or similar communication circulated by DESC affiliates. This clause outlines certain provisions that define how the companies may jointly market sales, calls, proposals, and advertising with affiliates and nonregulated utility operations. The

⁶ PSNC agreed to this provision in North Carolina.

Commission finds that additional guidance for disclaimers around affiliate marketing materials bearing the Company name ensures transparency for customer that may not otherwise be provided absent this requirement.

ORS PROPOSED ADDENDUM #2: Marketing

ORS recommended the inclusion of the following language with respect to this provision:

“1. Joint Marketing — The public utility operations of DESC may engage in joint sales, joint sales calls, joint proposals, or joint advertising (a joint marketing arrangement) with their Affiliates and with their Non-Regulated utility operations, subject to compliance with other provisions of this Code of Conduct and any conditions or restrictions that the Commission may hereafter establish. DESC shall not otherwise engage in such joint activities without making such opportunities available to comparable third parties

2. Affiliate Disclaimers — Neither DESC nor any of the other Affiliates shall use the name or logo of DESC in any communications targeted at DESC's South Carolina service territories without the following disclaimers:

a. "[Dominion Energy/Affiliate] is not the same company as DESC, and [Dominion Energy/Affiliate] has separate management and separate employees;"

b. "[Dominion Energy/Affiliate] is not regulated by the Public Service Commission of South Carolina or in any way sanctioned by the Commission;"

c. "Purchasers of products or services from [Dominion Energy/Affiliate] will receive no preference or special treatment from DESC;" and

d. "A customer does not have to buy products or services from [Dominion Energy/Affiliate] in order to continue to receive the same safe and reliable electric or natural gas service from DESC."

3. Non-Regulated Utility Operations Disclaimers:

a. Non-Regulated utility operations may not use the name or logo of DESC in any communications targeted at DESC's South Carolina service territories without the following disclaimer:

i. "[Name of product or service being offered by Non-Regulated utility operation] is not part of the regulated services offered by DESC and is not in any way sanctioned by the Public Service Commission of South Carolina."

b. DESC's Non-Regulated utility operations may not use the name or logo of DESC in any communications targeted at DESC's South Carolina service territory without the following disclaimers:

i. "Purchasers of [name of product or service being offered by Non-Regulated utility operation] from [Non-Regulated utility operation] will receive no preference or special treatment from DESC;" and

ii. "A customer does not have to buy this product or service from [Non-Regulated utility operation] in order to continue to receive the same safe and reliable electric service from DESC."

The required disclaimers in this Part 3(b) of this subsection must be sized and displayed in a way that is commensurate with the name and logo so that the disclaimer is at least the larger of one-half the size of the type that first displays the name and logo or the predominant type used in the communication."

3. A compliance officer that would be responsible for the Company's compliance with the Code of Conduct. ORS proposed a provision for a compliance officer, a position provided for North Carolina customers in the North Carolina Code of Conduct for DENC and PSNC. The Commission finds that this provision requires that the companies designate an individual (i.e., a chief compliance officer) who will be responsible for the Company's compliance with the Code of Conduct. The individual's name and contact information would also be made public on the Company's websites. The Commission concludes that a similar provision in this

Code of Conduct for DESC would be a transparent and pragmatic approach to facilitate compliance with the merger conditions and the Code of Conduct approved by the Commission. There is no prohibition in allowing the Company's North Carolina Compliance Officer to also serve as the Company's South Carolina Compliance Officer.

ORS PROPOSED ADDENDUM #3: Compliance Officer

ORS recommended the inclusion of the following language with respect to this provision:

“1. Designation of Chief Compliance Officer — DESC shall designate a chief compliance officer who will be responsible for compliance with the Merger Conditions and Code of Conduct. This person's name and contact information must be posted on DESC's Internet Websites.”

4. A customer information clause that would outline provisions for sharing customer information between DESC, the parent Dominion Energy, and other affiliates. This clause outlines provisions for sharing customer information between the companies, Dominion Energy, and other affiliates. The Commission finds and concludes that this provision would define the manner in which Customer Information may be shared among DESC, Dominion Energy, and other affiliates and would protect such information from unauthorized disclosure.

ORS PROPOSED ADDENDUM #4: Consumer Information

ORS recommended the inclusion of the following language with respect to this provision:

“1. Upon request, and subject to the restrictions and conditions contained herein, DESC may provide Customer Information to Dominion

Energy or another Affiliate under the same terms and conditions that apply to the provision of such information to non-Affiliates. In addition, DESC may provide Customer Information to its Non-Regulated utility operations under the same terms and conditions that apply to the provision of such information to non-Affiliates.

2. Except as provided in Part 6 of this subsection, Customer Information shall not be disclosed to any Affiliate or non-affiliated third party without the Customer's consent, and then only to the extent specified by the Customer. Consent to disclosure of Customer Information to Affiliates of DESC or to DESC's Non-Regulated utility operations may be obtained by means of written, electronic, or recorded verbal authorization upon providing the Customer with the information in a format that is otherwise acceptable to the Public Service Commission of South Carolina; provided, however, that DESC retain such authorization for verification purposes for as long as the authorization remains in effect. Written, electronic, or recorded verbal authorization or consent for the disclosure of DESC's Customer Information to DESC's Non-Regulated utility operations is not required.

3. If the Customer allows or directs DESC to provide Customer Information to Dominion Energy, another Affiliate, or to DESC's Non-Regulated utility operations, then DESC shall ask if the Customer would like the Customer Information to be provided to one or more non-Affiliates. If the Customer directs DESC to provide Customer Information to one or more non-Affiliates, the Customer Information shall be disclosed to all entities designated by the Customer contemporaneously and in the same manner.

4. This subsection shall be permanently posted on DESC's website(s).

5. No DESC employee who is transferred to Dominion Energy or another Affiliate shall be permitted to copy or otherwise compile any Customer Information for use by such entity except as authorized by the Customer pursuant to Part 2 of this subsection. DESC shall not transfer any employee to Dominion Energy or another Affiliate for the purpose of disclosing or providing Customer Information to such entity.

6. Notwithstanding the prohibitions established by this subsection:

a. DESC may disclose Customer Information to any other Affiliate or a non-affiliated third party without Customer consent to the extent necessary for the Affiliate or non-affiliated third party to provide goods or services to DESC and upon the written agreement of the other Affiliate or non-affiliated third party to protect the confidentiality of such Customer Information. To the extent the Commission approves a list of services to be provided and taken pursuant to one or more utility-to-utility service agreements, then

Customer Information may be disclosed pursuant to the foregoing exception to the extent necessary for such services to be performed.

b. DESC may disclose Customer Information to its Non-Regulated utility operations without Customer consent to the extent necessary for the Non-Regulated utility operations to provide goods or services to DESC and upon the written agreement of the Non-Regulated utility operations to protect the confidentiality of such Customer Information.

c. DESC may disclose Customer Information if a state or federal regulatory agency or court of competent jurisdiction over the disclosure of the Customer Information requires the disclosure.

7. DESC shall take appropriate steps to store Customer Information in such a manner as to limit access to those persons permitted to receive it and shall require all persons with access to such information to protect its confidentiality.

8. DESC shall establish guidelines for its employees and representatives to follow with regard to complying with this subsection.

9. No employee may use Customer Information to market or sell any product or service to DESC's Customers, except in support of a Commission-approved rate schedule or program or a marketing effort managed and supervised directly by DESC.

10. Employees with access to the Customer Information must be prohibited from making any improper indirect use of the data, including directing or encouraging any actions based on the Customer Information by employees that do not have access to such information, or by other employees of Dominion Energy or other Affiliates or Non-Regulated utility operations of DESC.

11. Should any inappropriate disclosure of DESC Customer Information occur at any time, DESC shall promptly file a statement with the Commission describing the circumstances of the disclosure, the Customer Information disclosed, the results of the disclosure, and the steps taken to mitigate the effects of the disclosure and prevent future occurrences.

5. A complaint procedure clause that would outline provisions as to how DESC will resolve complaints that may arise due to its relationship with other affiliates and non-regulated utility operations. ORS proposed the inclusion of a complaint procedure provision similar to that in the North Carolina Code of Conduct for DENC and PSNC. This clause outlines provisions for how these

companies will resolve complaints that may arise due to the relationship between DESC, Dominion Energy, other Affiliates, and Non-Regulated utility operations. This section explicitly states that the presence and use of these complaint procedures do not supersede or affect a complainant's right to file a formal complaint with the Commission or ORS as provided by existing law. The Commission finds and concludes that this provision in this Code of Conduct for DESC would aid in the transparent resolution of customer concerns and complaints.

ORS PROPOSED ADDENDUM #4: Complaint Procedures

ORS recommended the inclusion of the following language with respect to this provision:

“1. Procedures — DESC shall establish procedures to resolve potential complaints that arise due to the relationship of DESC with Dominion Energy, the other Affiliates, and the Non-Regulated utility operations. The complaint procedures shall provide for the following:

a. Verbal and written complaints shall be referred to a designated representative of DESC.

b. The designated representative shall provide written notification to the complainant within fifteen (15) days that the complaint has been received.

c. DESC shall investigate the complaint and communicate the results or status of the investigation to the complainant within sixty (60) days of receiving the complaint.

d. DESC shall each maintain a log of complaints and related records and permit inspection of documents (other than those protected by the attorney/client privilege), by the Commission, or the ORS.

2. Notwithstanding the provisions of Part 1 of this subsection., any complaints received through the Dominion Energy Compliance Line (or its successor), which is a confidential mechanism available to the employees of the Dominion Energy holding company system, shall be handled in accordance with procedures established for the Dominion Energy Compliance Line.

3. Commission — These complaint procedures do not affect a complainant's right to file a formal complaint or otherwise address questions to the Commission or the ORS regarding a complaint.”

6. A periodic review of four years so that necessary modifications or updates to the language of the Code of Conduct could be made.

ORS PROPOSED ADDENDUM #6: Periodic Review

ORS proposed a periodic review of the Code of Conduct for DESC so that any necessary modifications or updates to the language in the Code of Conduct could be made. ORS explained that such a review and adjustment, as appropriate, would ensure that the intent of the merger conditions set forth in Order No. 2018-804 are being achieved. ORS recommended the Code of Conduct be reviewed every four years with comments received by the Commission from interested customers and stakeholders by August 1 of each year, beginning on August 1, 2023. The Commission finds and concludes that such proposal for periodic review is reasonable and in the best interest of DESC customers. ORS stated that originally it proposed two (2) years to the company; however, the Company proposed a four (4) year review period to which ORS agreed.

See, Id.; see also, Tr. p. 22, l. 17 thru p. 33, l. 21.

7. The seventh item at issue before the Commission is that ORS seeks to strike certain language added by DESC in the waiver clause related to preserving its rights to self-advocacy. *Tr. p. 30, l. 19 thru p. 33, l. 21.*

.... ORS has concerns with the emphasized text, specifically, *‘without waiving its rights to self-advocacy in supporting positions in regulatory proceedings before the Commission and specifically reserving all of its rights under the law.’*

ORS maintains there’s no need to include such [waiver] language in [Section III(E)(4) of] the DESC Code

of Conduct. By including this language, ORS believes that the Company is diminishing the appearance of its commitment to transparency. Additionally, the Company can, of course, make whatever legal or factual arguments that it wants, in any proceedings before this Commission, and cannot waive its right to do so by issuing the Code of Conduct.

Tr. p. 30, l. 24 thru p. 31, l. 12; see also, ORS Letter dated November 5, 2019 in

Docket Nos. 2017-207-E, 2017-305-E, & 2017-370-E.

ORS PROPOSED ADDENDUM #7: Striking DESC's Proposed Waiver Clause

ORS proposed striking certain language in the Waiver Clause of DESC's proposed Code of Conduct. In Section III(E)(4) of the Code of Conduct filed by DESC in this matter, the Company retained certain language related to preserving its rights to self-advocacy as follows:

"In providing accurate and truthful information, DESC, without waiving its rights to self-advocacy in supporting positions in regulatory proceedings before the Commission and specifically reserving all of its rights under the law, acknowledges that it must avoid the concealment, omission, misrepresentation, or nondisclosure of any material fact or information in any proceeding or filing before the Commission or ORS." (emphasis added on the language which is proposed to be stricken).

ORS proposed to strike the following phrase from Section III(E)(4) of the Code of Conduct: ", without waiving its rights to self-advocacy in supporting positions in regulatory proceedings before the Commission and specifically reserving all of its rights under the law," so that Section III(E)(4) of the Code of Conduct shall read as follows:

"In providing accurate and truthful information, DESC acknowledges that it must avoid the concealment, omission, misrepresentation, or nondisclosure of any material fact or information in any proceeding or filing before the Commission or ORS."

The Commission finds and concludes that the Company's rights are automatically preserved and that there is no need to include such language in the Code of Conduct. This language diminishes the appearance of DESC's commitment to transparency and the Commission finds and concludes that such language should be stricken so that Section III(E)(4) of DESC's Code of Conduct shall read as follows:

"In providing accurate and truthful information, DESC acknowledges that it must avoid the concealment, omission, misrepresentation, or nondisclosure of any material fact or information in any proceeding or filing before the Commission or ORS."

ORS further states that it has constantly maintained throughout all discussions with the Company and in this proceeding that,

the additional recommended [seven] provisions afford valid consumer protections that fulfill the intent of Commission Order No. 2018-804, specifically the "duty to avoid the concealment, omission, misrepresentation, or nondisclosure of any material fact or information" (p. 102). Further, ORS informed DESC that ORS would file a separate letter in response to the Company's Code of Conduct filing with the Commission and provided DESC with a copy of the ORS letter and addendum prior to filing the same with the Commission.

ORS Letter dated November 5, 2019 in Docket Nos. 2017-207-E, 2017-305-E, & 2017-370-E, p. 2.

DESC's position is that the additions suggested by ORS are unnecessary and are addressing problems that to date have not existed. Tr. p. 4, l. 5 thru p. 22, l. 11. DESC additionally argues that the corporate structure is different between North Carolina and South Carolina. Id. In North Carolina, electricity is provided by Dominion Energy North Carolina and natural gas is provided by Public Service-NC which are affiliated companies. DESC further asserts that in South Carolina, there is one entity that provides both electricity and natural gas, and that the issue of affiliate transactions does not rise to the same level in South Carolina as in North Carolina. DESC maintains the Purchased Gas Adjustment ("PGA") process, as well as the Fuel Cost proceedings in South Carolina, already provide the protections sought by ORS. DESC further states its proposed Code of Conduct, which already contains provisions of the previous SCANA code as well as new provisions negotiated in this process, is already a lengthy document and would not be improved by the recommended additions or changes (deletions) proposed by ORS.

III. Conclusion and Findings

Based on the foregoing, the arguments and exhibits presented at the hearing of this matter, the filings in the Docket(s), and the record as a whole, the Commission makes the following findings of fact and conclusions of law (as well as any findings of fact and conclusions of law stated above):

1. Dominion Energy, Incorporated is a corporation duly organized and existing under the laws of Virginia and is headquartered in Richmond, Virginia. Virginia Electric and Power Company is a wholly owned subsidiary of Dominion Energy that does business in South Carolina as Dominion Energy South Carolina.

2. DESC is a public utility under the laws of South Carolina and its respective public utility operations are subject to the jurisdiction of this Commission.

3. The recommended changes by ORS to the DESC Code of Conduct, referred to herein as ORS Proposed Addendum No. 1 thru No. 7 (above), are reasonable, provide additional consumer protections, and fulfill the intent of the Commission Order No. 2018-804, specifically the “duty to avoid the concealment, omission, misrepresentation, or nondisclosure of any material fact or information.”⁷ These seven (7) changes are attached as Order Exhibit No. 1.

4. The revised DESC Code of Conduct, submitted by DESC on July 1, 2019 (attached as Order Exhibit No. 2), together with the seven (7) recommended changes of the Office of Regulatory Staff (attached as Order Exhibit No. 1) provide reasonable and adequate regulatory oversight to ensure that DESC continues to independently acquire and own its own capacity and supply contracts based upon the needs of its customers in South Carolina.

5. A new, revised DESC Code of Conduct as adopted and approved in this Order by the Commission, as well as existing regulatory requirements, provides:

- a. reasonable and adequate regulatory oversight of affiliate contracts and cost allocations; and
- b. reasonable and adequate regulatory oversight to ensure that the costs of common goods and services are fairly allocated among affiliates, to protect customers from overcharges by non-regulated affiliates,

⁷ Commission Order No. 2018-804, p. 102.

and to prevent cross-subsidization of non-regulated affiliates by
DESC's customers; and

- c. reasonable and adequate regulatory oversight to ensure that costs incurred by DESC are properly incurred, accounted for, and directly charged, assigned, or allocated to their respective South Carolina retail operations; and
- d. reasonable and adequate regulatory oversight by providing for appropriate and effective auditing and reporting requirements with respect to affiliate transactions and cost of service for retail ratemaking purposes; and
- e. reasonable and adequate regulatory oversight to ensure that DESC continues to independently acquire and own its own capacity and supply contracts based upon the needs of its customers in South Carolina.

6. Unless otherwise required by Commission Order No. 2018-804, any transaction between DESC and SCANA, or between DESC and any Regulatory Subsidiary that occurs before the effective date of this Order approving the revised DESC Code of Conduct shall be governed by Order No. 1992-931.

7. Any transaction between DESC and SCANA, or between DESC and any Regulatory Subsidiary, that occurs on or after the date of this Order approving a revised DESC Code of Conduct shall be governed by this Code of Conduct as revised by this Order.

8. The Code of Conduct is subject to modification, amendment or change by the Commission as the Commission shall determine necessary related, but not limited, to address changes in the organizational structure of DESC, Dominion Energy, SCANA, and any Regulated Subsidiary; changes in the structure of the electric industry or natural gas industry; or other changes that warrant modification by the Commission.

9. It is in the public interest for the Commission to periodically review the Company's Code of Conduct in a formal proceeding and to make adjustment, as determined necessary by the Commission, the Code of Conduct for DESC.

10. This periodic review of the Company's Code of Conduct by the Commission shall occur at least once every four (4) years from its last review, but nothing shall prohibit the Commission from reviewing and adjusting the Company's Code of Conduct at any time as it deems necessary. Further, nothing shall prohibit DESC, the Office of Regulatory Staff, or other interested parties, from seeking revision(s) from the Commission to the Code of Conduct at any time as circumstances indicate.

11. Unless otherwise ordered by the Commission, the next review of the Company's Code of Conduct by the Commission shall begin no later than 2023, and comments shall be received by the Commission from the Company, interested consumers, interested parties, and stakeholders by August 1st of a review year.

IV. Ordering Clauses

IT IS THEREFORE ORDERED THAT:

1. The recommendations and additions by ORS in Order Exhibit No. 1 are appropriate consumer protections and in the public interest.

2. The revised Code of Conduct for Dominion Energy South Carolina as filed in Order Exhibit No. 2, incorporating the seven (7) recommended changes of the Office of Regulatory Staff as explained herein and attached as Order Exhibit No. 1, is adopted and approved by the Commission.

3. DESC shall file within thirty (30) days of receipt of this Order a copy of its Code of Conduct reflecting the approved changes of the Commission and provide a copy of the same to the Office of Regulatory Staff.

4. Unless otherwise required by Commission Order No. 2018-804, any transaction between DESC and SCANA,⁸ or between DESC and any Regulatory Subsidiary⁹ that occurs before the date of this Order is governed by Order No. 1992-931.

5. Any transaction between DESC and SCANA, or between DESC and any Regulatory Subsidiary that occurs on or after the date of this Order is governed by new, revised Code of Conduct as adopted and approved by this Order.

6. Unless otherwise ordered by the Commission, the next review of the DESC's Code of Conduct by the Commission shall begin no later than in 2023 in an formal proceeding before the Commission; and then at least every four (4) years from the most recent past review of the Company's Code of Conduct, the Commission shall be conducted in an formal proceeding by the Commission.

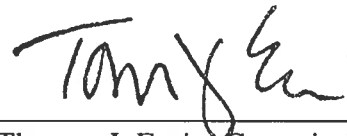
⁸ SCANA shall mean SCANA Corporation and any successor company.

⁹ All references in this Order and in the Code of Conduct to "Regulatory Subsidiary" shall mean any subsidiary of Dominion Energy, Inc., SCANA or DESC that is subject to the jurisdiction of the Public Service Commission of South Carolina.

7. Comments shall be received by the Commission from the Company, interested consumers, interested parties, and stakeholders by August 1st of a review year.

8. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

A handwritten signature in black ink, appearing to read "Tom Ervin", is written over a horizontal line.

Thomas J. Ervin, Commissioner

ORS PROPOSED ADDENDUM #1: Non-Discrimination

ORS recommended the inclusion of the following language with respect to this provision in the proposed DESC Code of Conduct, filed on 7/1/2019:

“1. General — DESC's employees and representatives shall not unduly discriminate against non-Affiliated entities.

2. Preferences — In responding to requests for electric services, natural gas services, or both, DESC shall not provide any preference to DESC, another Affiliate, or a Non-Regulated utility operation, or to any customers of such an entity, as compared to non-Affiliates or their customers. Moreover, neither DESC, Dominion Energy, nor any other Affiliates shall represent to any person or entity that Dominion Energy, another Affiliate, or a Non-Regulated utility operation will receive any such preference.

3. Application of Tariffs — DESC shall apply the provisions of their respective tariffs equally to Dominion Energy, the other Affiliates, the Non-Regulated utility operations, and non-Affiliates.

4. Requests for Service:

a. DESC shall process all similar requests for electric services, natural gas services, or both, in the same timely manner, whether requested on behalf of Dominion Energy, another Affiliate, a Non-Regulated utility operation, or a non-Affiliated entity.

b. DESC shall treat similarly situated shippers in the same manner with respect to the delivery of gas on distribution facilities, contract terms, the scheduling of gas supplies, balancing provisions, and allocation of gas supplies and capacity at city gate stations.

c. DESC shall post on its website its criteria for evaluating proposals from shippers. DESC shall not give one shipper any form of preference over other similarly situated shippers in matters relating to assignment, release, or other transfer of capacity rights on interstate pipeline systems.

5. Speaking for Utility — No Personnel of DESC, Dominion Energy, or another Affiliate shall indicate, represent, or otherwise

give the appearance to another party that DESC or another Affiliate speaks on behalf of DESC; provided, however, that this prohibition shall not apply to employees providing shared services or to employees of another Affiliate to the extent explicitly provided for in an affiliate agreement that has been accepted by the Commission. In addition, no Personnel of a Non-Regulated utility operation shall indicate, represent, or otherwise give the appearance to another party that they speak on behalf of DESC's regulated public utility operations.

6. Advantages — No Personnel of DESC, another Affiliate, or a Non-Regulated utility operation shall indicate, represent, or otherwise give the appearance to another party that any advantage to that party with regard to electric services or natural gas services exists as the result of that party dealing with DESC, another Affiliate, or a Non-Regulated utility operation, as compared with a non-Affiliate.

7. Tying — DESC shall not condition or otherwise tie the provision or terms of any electric services or natural gas services to the purchasing of any goods or services from, or the engagement in business of any kind with, DESC, another Affiliate, or a Non-Regulated utility operation.

8. Information to Customers:

a. When any DESC personnel receives a request for information from or provides information to a Customer about goods or services available from DESC, another Affiliate, or a Non-Regulated utility operation, the personnel shall advise the Customer that such goods or services may also be available from non-Affiliated suppliers.

b. All DESC information pertaining to interstate pipeline transportation, storage, distribution, or gas supply that is provided to a gas marketing affiliate shall be made available to all shippers on a contemporaneous, nondiscriminatory, and non-preferential basis by posting the information on its website and provided in a written form upon the request of a shipper. Aggregate customer information and market data made available to shippers shall be made available on a similar basis.

c. DESC shall post on its website a current list of contact persons and telephone numbers of all gas marketers that are active on its system.

9. Disclosure of Customer Information — Disclosure of Customer Information to DESC, another Affiliate, or a Non-Regulated utility operation, or a non-Affiliated entity shall be governed by Sections III(D) and IV(D) of this Code of Conduct.

10. Unless otherwise directed by order of the Commission, electric generation shall not receive a priority of use from DESC that would supersede or diminish DESC's provision of service to its human needs firm residential and commercial customers.¹

11. DESC shall file an annual report with the Commission summarizing all requests or inquiries for natural gas services made by a non-utility generator, DESC's response to the request, and the status of the inquiry.”

ORS PROPOSED ADDENDUM #2: Marketing

ORS recommended the inclusion of the following language with respect to this provision in the proposed DESC Code of Conduct, filed on 7/1/2019:

- “1. Joint Marketing — The public utility operations of DESC may engage in joint sales, joint sales calls, joint proposals, or joint advertising (a joint marketing arrangement) with their Affiliates and with their Non-Regulated utility operations, subject to compliance with other provisions of this Code of Conduct and any conditions or restrictions that the Commission may hereafter establish. DESC shall not otherwise engage in such joint activities without making such opportunities available to comparable third parties
2. Affiliate Disclaimers — Neither DESC nor any of the other Affiliates shall use the name or logo of DESC in any communications targeted at DESC's South Carolina service territories without the following disclaimers:

¹ PSNC agreed to this provision in North Carolina.

a. "[Dominion Energy/Affiliate] is not the same company as DESC, and [Dominion Energy/Affiliate] has separate management and separate employees;"

b. "[Dominion Energy/Affiliate] is not regulated by the Public Service Commission of South Carolina or in any way sanctioned by the Commission;"

c. "Purchasers of products or services from [Dominion Energy/Affiliate] will receive no preference or special treatment from DESC;" and

d. "A customer does not have to buy products or services from [Dominion Energy/Affiliate] in order to continue to receive the same safe and reliable electric or natural gas service from DESC."

3. Non-Regulated Utility Operations Disclaimers:

a. Non-Regulated utility operations may not use the name or logo of DESC in any communications targeted at DESC's South Carolina service territories without the following disclaimer:

i. "[Name of product or service being offered by Non-Regulated utility operation] is not part of the regulated services offered by DESC and is not in any way sanctioned by the Public Service Commission of South Carolina."

b. DESC's Non-Regulated utility operations may not use the name or logo of DESC in any communications targeted at DESC's South Carolina service territory without the following disclaimers:

i. "Purchasers of [name of product or service being offered by Non-Regulated utility operation] from [Non-Regulated utility operation] will receive no preference or special treatment from DESC;" and

ii. "A customer does not have to buy this product or service from [Non-Regulated utility operation] in

order to continue to receive the same safe and reliable electric service from DESC."

The required disclaimers in this Part 3(b) of this subsection must be sized and displayed in a way that is commensurate with the name and logo so that the disclaimer is at least the larger of one-half the size of the type that first displays the name and logo or the predominant type used in the communication."

ORS PROPOSED ADDENDUM #3: Compliance Officer

ORS recommended the inclusion of the following language with respect to this provision in the proposed DESC Code of Conduct, filed on 7/1/2019:

"1. Designation of Chief Compliance Officer — DESC shall designate a chief compliance officer who will be responsible for compliance with the Merger Conditions and Code of Conduct. This person's name and contact information must be posted on DESC's Internet Websites."

ORS PROPOSED ADDENDUM #4: Consumer Information

ORS recommended the inclusion of the following language with respect to this provision in the proposed DESC Code of Conduct, filed on 7/1/2019:

"1. Upon request, and subject to the restrictions and conditions contained herein, DESC may provide Customer Information to Dominion Energy or another Affiliate under the same terms and conditions that apply to the provision of such information to non-Affiliates. In addition, DESC may provide Customer Information to its Non-Regulated utility operations under the same terms and conditions that apply to the provision of such information to non-Affiliates.

2. Except as provided in Part 6 of this subsection, Customer Information shall not be disclosed to any Affiliate or non-affiliated third party without the Customer's consent, and then only to the extent specified by the Customer. Consent to disclosure of

Customer Information to Affiliates of DESC or to DESC's Non-Regulated utility operations may be obtained by means of written, electronic, or recorded verbal authorization upon providing the Customer with the information in a format that is otherwise acceptable to the Public Service Commission of South Carolina; provided, however, that DESC retain such authorization for verification purposes for as long as the authorization remains in effect. Written, electronic, or recorded verbal authorization or consent for the disclosure of DESC's Customer Information to DESC's Non-Regulated utility operations is not required.

3. If the Customer allows or directs DESC to provide Customer Information to Dominion Energy, another Affiliate, or to DESC's Non-Regulated utility operations, then DESC shall ask if the Customer would like the Customer Information to be provided to one or more non-Affiliates. If the Customer directs DESC to provide Customer Information to one or more non-Affiliates, the Customer Information shall be disclosed to all entities designated by the Customer contemporaneously and in the same manner.

4. This subsection shall be permanently posted on DESC's website(s).

5. No DESC employee who is transferred to Dominion Energy or another Affiliate shall be permitted to copy or otherwise compile any Customer Information for use by such entity except as authorized by the Customer pursuant to Part 2 of this subsection. DESC shall not transfer any employee to Dominion Energy or another Affiliate for the purpose of disclosing or providing Customer Information to such entity.

6. Notwithstanding the prohibitions established by this subsection:

a. DESC may disclose Customer Information to any other Affiliate or a non-affiliated third party without Customer consent to the extent necessary for the Affiliate or non-affiliated third party to provide goods or services to DESC and upon the written agreement of the other Affiliate or non-affiliated third party to protect the confidentiality of such Customer Information. To the extent the Commission approves a list of services to be provided and taken

pursuant to one or more utility-to-utility service agreements, then Customer Information may be disclosed pursuant to the foregoing exception to the extent necessary for such services to be performed.

b. DESC may disclose Customer Information to its Non-Regulated utility operations without Customer consent to the extent necessary for the Non-Regulated utility operations to provide goods or services to DESC and upon the written agreement of the Non-Regulated utility operations to protect the confidentiality of such Customer Information.

c. DESC may disclose Customer Information if a state or federal regulatory agency or court of competent jurisdiction over the disclosure of the Customer Information requires the disclosure.

7. DESC shall take appropriate steps to store Customer Information in such a manner as to limit access to those persons permitted to receive it and shall require all persons with access to such information to protect its confidentiality.

8. DESC shall establish guidelines for its employees and representatives to follow with regard to complying with this subsection.

9. No employee may use Customer Information to market or sell any product or service to DESC's Customers, except in support of a Commission-approved rate schedule or program or a marketing effort managed and supervised directly by DESC.

10. Employees with access to the Customer Information must be prohibited from making any improper indirect use of the data, including directing or encouraging any actions based on the Customer Information by employees that do not have access to such information, or by other employees of Dominion Energy or other Affiliates or Non-Regulated utility operations of DESC.

11. Should any inappropriate disclosure of DESC Customer Information occur at any time, DESC shall promptly file a statement with the Commission describing the circumstances of the disclosure, the Customer Information disclosed, the results of the

disclosure, and the steps taken to mitigate the effects of the disclosure and prevent future occurrences.

ORS PROPOSED ADDENDUM #5: Complaint Procedures

ORS recommended the inclusion of the following language with respect to this provision in the proposed DESC Code of Conduct, filed on 7/1/2019:

“1. Procedures — DESC shall establish procedures to resolve potential complaints that arise due to the relationship of DESC with Dominion Energy, the other Affiliates, and the Non-Regulated utility operations. The complaint procedures shall provide for the following:

a. Verbal and written complaints shall be referred to a designated representative of DESC.

b. The designated representative shall provide written notification to the complainant within fifteen (15) days that the complaint has been received.

c. DESC shall investigate the complaint and communicate the results or status of the investigation to the complainant within sixty (60) days of receiving the complaint.

d. DESC shall each maintain a log of complaints and related records and permit inspection of documents (other than those protected by the attorney/client privilege), by the Commission, or the ORS.

2. Notwithstanding the provisions of Part 1 of this subsection., any complaints received through the Dominion Energy Compliance Line (or its successor), which is a confidential mechanism available to the employees of the Dominion Energy holding company system, shall be handled in accordance with procedures established for the Dominion Energy Compliance Line.

3. Commission — These complaint procedures do not affect a complainant's right to file a formal complaint or otherwise address questions to the Commission or the ORS regarding a complaint.”

ORS PROPOSED ADDENDUM #6: Periodic Review

ORS proposed a periodic review of the Code of Conduct for DESC so that any necessary modifications or updates to the language in the Code of Conduct could be made. ORS explained that such a review and adjustment, as appropriate, would ensure that the intent of the merger conditions set forth in Order No. 2018-804 are being achieved. ORS recommended the Code of Conduct be reviewed every four years with comments received by the Commission from interested customers and stakeholders by August 1 of each year, beginning on August 1, 2023. The Commission finds and concludes that such proposal for periodic review is reasonable and in the best interest of DESC customers. ORS stated that originally it proposed two (2) years to the company; however, the Company proposed a four (4) year review period to which ORS agreed.

ORS PROPOSED ADDENDUM #7: Striking DESC's Proposed Waiver Clause

ORS proposed striking certain language in the Waiver Clause of DESC's proposed Code of Conduct. In Section III(E)(4) of the Code of Conduct filed by DESC in this matter, the Company retained certain language related to preserving its rights to self-advocacy as follows:

"In providing accurate and truthful information, DESC, *without waiving its rights to self-advocacy in supporting positions in regulatory proceedings before the Commission and specifically reserving all of its rights under the law*, acknowledges that it must avoid the concealment, omission, misrepresentation, or nondisclosure of any material fact or information in any proceeding or filing before the Commission or ORS." (emphasis added on the language which is proposed to be stricken).

ORS proposed to strike the following phrase from Section III(E)(4) of the Code of Conduct: “, without waiving its rights to self-advocacy in supporting positions in regulatory proceedings before the Commission and specifically reserving all of its rights under the law,” so that Section III(E)(4) of the Code of Conduct shall read as follows:

"In providing accurate and truthful information, DESC acknowledges that it must avoid the concealment, omission, misrepresentation, or nondisclosure of any material fact or information in any proceeding or filing before the Commission or ORS."

**CODE OF CONDUCT GOVERNING THE RELATIONSHIP AMONG
DOMINION ENERGY SOUTH CAROLINA, INC., SCANA CORPORATION,
DOMINION ENERGY, INC. AND CERTAIN OTHER AFFILIATES**

TABLE OF CONTENTS

I.	DEFINITIONS.....	2
II.	INTRODUCTION AND APPLICABILITY	3
III.	CODE OF CONDUCT.....	4
	A. FINANCIAL TRANSACTIONS.....	4
	B. AFFILIATED TRANSACTIONS.....	6
	C. REAL PROPERTY TRANSACTIONS.....	9
	D. CUSTOMER INFORMATION.....	10
	E. INTERACTIONS AND DEALING WITH ORS PURSUANT TO COMMISSION ORDER NO. 2018-804.....	10
IV.	REPORTING REQUIREMENTS.....	11
	A. FINANCIAL REPORTING REQUIREMENTS.....	11
	B. AFFILIATE TRANSACTIONS REPORTING REQUIREMENTS.....	13
	C. REAL PROPERTY TRANSACTIONS REPORTING REQUIREMENTS.....	16
	D. PROPRIETARY CUSTOMER INFORMATION REPORTING REQUIREMENTS.....	17

**CODE OF CONDUCT GOVERNING THE RELATIONSHIP AMONG
DOMINION ENERGY SOUTH CAROLINA, INC., SCANA CORPORATION,
DOMINION ENERGY, INC. AND CERTAIN OTHER AFFILIATES**

I. DEFINITIONS

For purposes of this Code of Conduct, the terms listed below shall have the following definitions:

Affiliate: Dominion Energy, SCANA, or a business entity in which ten percent (10%) or more is owned or controlled, directly or indirectly, by Dominion Energy or SCANA. For purposes of this Code of Conduct, Dominion Energy, SCANA, and any Subsidiary are considered to be Affiliates of DESC.

Commission: Public Service Commission of South Carolina.

Customer: Any retail electric or natural gas customer of DESC in South Carolina.

Customer Information: Non-public information or data specific to a Customer or a group of Customers, including, but not limited to, electricity consumption, natural gas consumption, load profile, billing history, or credit history, that is or has been obtained or compiled by DESC in connection with the supplying of Electric Services or Natural Gas Services to that Customer or group of Customers.

DESC: Dominion Energy South Carolina, Inc., the business entity wholly owned by SCANA and indirectly owned by Dominion Energy, that is authorized by law to provide Electric Services and Natural Gas Services within its South Carolina service territory, and that is an “electrical utility” as defined by S.C. Code Ann. § 58-27-10(7) (2015), and a “public utility” as defined by S.C. Code Ann. § 58-5-10(4) (2015).

Dominion Energy: Dominion Energy, Inc. and any successor company.

Electric Services: Commission-regulated electric power generation, transmission, distribution, delivery, and retail sales, and other related services, including, but not limited to, administration of Customer accounts and rate schedules, metering, billing, standby service, backups, and changeovers of electric service to other suppliers.

FERC: The Federal Energy Regulatory Commission.

Market Value: The price at which property, goods, or services would change hands in an arm’s-length transaction between a buyer and a seller without any compulsion to engage in a transaction, and both having reasonable knowledge of the relevant facts.

Merger: All transactions contemplated by the Agreement and Plan of Merger between Dominion Energy and SCANA.

Natural Gas Services: Commission-regulated natural gas sales and natural gas transportation, and other related services, including, but not limited to, administration of Customer accounts and rate schedules, metering and billing, and standby service.

Non-Regulated: That which is not subject to regulation by regulatory authorities.

ORS: The South Carolina Office of Regulatory Staff.

Real Property: Land, including any structures situated upon the land.

Regulated: That which is subject to regulation by regulatory authorities.

Regulated Subsidiary: Any subsidiary of Dominion Energy, SCANA, or DESC that is subject to the jurisdiction of the Commission.

Regulatory Conditions: The conditions imposed by the Commission in connection with or related to the Merger.

SCANA: SCANA Corporation and any successor company.

SCE&G: South Carolina Electric & Gas Company n/k/a DESC.

Significant: Greater than ten percent (10%)

Subsidiary: A business entity in which ten percent (10%) or more is owned or controlled, directly or indirectly, by Dominion Energy or SCANA

II. INTRODUCTION AND APPLICABILITY

By Order No. 2018-804 dated December 21, 2018, issued in Docket Nos. 2017-207-E, 2017-305-E and 2017-370-E, the Commission approved, among other things, the Merger between SCANA and Dominion Energy. Effective January 1, 2019, SCANA merged with Dominion Energy, and as a result, SCANA became a wholly-owned Subsidiary of Dominion Energy and DESC became an indirect Subsidiary of Dominion Energy. The Merger did not alter the corporate relationship between SCANA and DESC. Accordingly, DESC is a wholly-owned Subsidiary of SCANA.

In Order No. 2018-804, the Commission imposed certain merger conditions to be adopted by DESC including a condition that "Dominion and [DESC] shall adopt and agree to adhere to a Code of Conduct developed in collaboration with the [ORS] and approved by the Commission" and that such "Code of Conduct be developed to assure that the utility and its officers, employees and agents act to assure that they adhere to their duty to avoid the concealment, omission, misrepresentation, or nondisclosure of any material fact or information in any proceeding or filing before the Commission or ORS."

DESC represents that it has developed such a Code of Conduct in collaboration with ORS reflecting the terms of Order No. 2018-804 to incorporate prior Commission orders, concerning affiliate transactions, specifically including:

- a. Order No. 89-379, which was issued on April 12, 1989, in Docket No. 1988-681-E, and the subsequent Notice of Proceeding, dated May 9, 1989, in Docket No. 89-230-E/G in order to "fully investigate the transfer of property, along

with the allocation of expenses, revenue and plant by SCE&G to SCANA or any of SCANA's affiliated Companies;" and

- b. Order No. 92-931, issued in Docket No. 89-230-E/G, in which the Commission approved final Recommendations and Reporting Requirements for SCE&G concerning recommendations and reporting requirements for financial transactions, affiliate transactions, and property transactions.

Unless otherwise required by Commission Order No. 2018-804, any transaction between DESC and SCANA, or between DESC and a Regulated Subsidiary that occurs before the effective date of the Commission's order approving this Code of Conduct shall be governed by Order No. 92-931.

Any transaction between DESC and Dominion Energy, or between DESC and SCANA, or between DESC and any Regulatory Subsidiary that occurs after the effective date of the Commission's order approving this Code of Conduct shall be governed by this Code of Conduct.

III. CODE OF CONDUCT

This Code of Conduct establishes the minimum guidelines and rules that apply to the relationships, transactions, and activities involving the electric and natural gas operations of DESC, Dominion Energy, SCANA, and any Regulated Subsidiary. This Code of Conduct is subject to modification by the Commission as the public interest may require, including, but not limited to, addressing changes in the organizational structure of DESC, Dominion Energy, SCANA and any Regulated Subsidiary; changes in the structure of the electric industry or natural gas industry; or other changes that warrant modification of this Code.

A. FINANCIAL TRANSACTIONS

1. Any business or financial risk associated with the creation and operation of another Subsidiary of DESC, Dominion Energy, or SCANA shall not be assigned to the ratepayers of DESC.
2. The overall allowed return on rate base of DESC must meet standards consistent with general regulatory policy and exclude any cost resulting from increased business or financial risk associated with the diversified investments of Dominion Energy and SCANA. This requirement is also applicable to any Regulated Subsidiary.
3. The capital structure utilized by DESC for rate making purposes must be reasonable and not adversely influenced by Non-Regulated diversification investments of Dominion Energy or SCANA. The Commission will monitor DESC's capital structure and may assign a reasonable hypothetical capital structure in the event that DESC's capital structure is found to differ significantly from that appropriate for an electric and/or natural gas utility. This requirement is also applicable to any Regulated Subsidiary.
4. The cost of debt and the cost of preferred stock of DESC shall not be adversely influenced by any risk related to the diversification activities of Dominion

Energy or SCANA. If the bond rating or preferred stock rating of DESC is lowered because of diversification investments by Dominion Energy or SCANA any additional costs shall not be borne by the ratepayers of DESC. This requirement is also applicable to any Regulated Subsidiary.

5. The dollar amount of dividends paid by DESC to Dominion Energy must be reasonable. The percentage of net income paid by DESC to Dominion Energy as dividends must be reasonable and consistent with the long-run period of five to ten years with the payout ratio of the electric utility industry and/or the gas distribution industry. This issue should be monitored annually. This requirement is also applicable to any Regulated Subsidiary.

6. The collateral used to support the debt of DESC must not be compromised in any way as to endanger DESC's bond rating and increase its cost of debt. The Commission may adjust the cost of any new debt issue during a general rate case proceeding in a reasonable manner to remove the impact of the higher cost debt if this is determined to have occurred. This requirement is also applicable to any Regulated Subsidiary.

7. DESC must comply with the FERC Chart of Accounts. This requirement is also applicable to any Regulated Subsidiary.

8. Dominion Energy, through SCANA, will provide equity, as needed, to DESC with the intent of maintaining DESC's capital structure targeted within a range of 50%-55% equity that is consistent with existing regulatory guidelines and improving credit ratings.

9. DESC shall not be the guarantor of any debt of Dominion Energy or any other Affiliate.

10. Dominion Energy shall maintain credit metrics that are supportive of strong investment-grade credit ratings for DESC.

11. Except for the return on equity ("ROE") and cost of debt approved by the Commission for new nuclear development cost recovery for the twenty-year recovery period:

- a. The ROE for DESC's base electric business should be established based on past practice and precedent, to determine a fair and reasonable return on equity.
- b. To the extent that any long-term debt issued by DESC following the date of closing of the merger is more expensive (as measured by spreads to then current Treasuries) as a result of the merger than the average long-term debt of similar tenor and security package issued by "BBB/Baa" rated state-regulated utilities in a similar time period, the cost of debt of such issuances shall be reduced to that average for

purposes of calculating overall cost of debt in the first base rate proceeding following closing of the merger.

B. AFFILIATED TRANSACTIONS

1. Dominion Energy does not permit any lending of cash or other capital from a utility subsidiary to any other entity within the Dominion Energy family (in other words, there is no “money pool” for these regulated utility subsidiaries).

2. For affiliate transactions involving DESC, Dominion Energy, SCANA and any Affiliate, DESC shall abide by the following standards regarding affiliate transactions as referenced in the National Association of Regulatory Utility Commissioner’s Guidelines for Cost Allocations and Affiliate Transactions unless as otherwise directed by the Commission.

- a. Generally, the price for services, products and the use of assets provided by a Regulated entity to its Non-Regulated Affiliates should be at the higher of fully allocated costs or prevailing market prices. Under appropriate circumstances, prices could be based on incremental cost, or other pricing mechanisms as determined by the Commission.
- b. Generally, the price for services, products and the use of assets provided by a Non-Regulated Affiliate to a Regulated Affiliate or by a Regulated Affiliate to a Regulated Subsidiary should be at the lower of fully allocated cost or prevailing market prices. Under appropriate circumstances, prices could be based on incremental cost, or other pricing mechanisms as determined by the Commission.
- c. Generally, transfer of a capital asset from a Regulated Subsidiary to its Non-Regulated Affiliate should be at the greater of prevailing market price or net book value, except as otherwise required by law or regulation. Generally, transfer of assets from an Affiliate to DESC should be at the lower of prevailing market price or net book value, except as otherwise required by law or regulation. To determine prevailing market value, an appraisal should be required at certain value thresholds as determined by the Commission.
- d. DESC shall maintain all information underlying affiliate transactions with its Affiliates for a minimum of three years, or as required by law or regulation. DESC shall not engage in improper self-dealing with other Affiliates where there are competitive alternatives, such as the sourcing of natural gas supplies and transportation and storage services; in such circumstances, DESC shall competitively source its services or products using a “least cost” standard. DESC shall be required to maintain detailed

records and shall have the burden to prove that transactions with a competitive Affiliate were sourced competitively and at least cost.

- e. DESC shall be required to maintain records and shall have the burden to prove that transactions with a competitive Affiliate were sourced competitively. DESC shall not engage in improper self-dealing with other Dominion affiliates where there are competitive alternatives, such as the sourcing of natural gas supplies and transportation and storage services; in such circumstances, DESC shall competitively source its services or products. DESC shall be required to maintain records and shall have the burden to prove that transactions with a competitive affiliate were sourced competitively and at least cost, unless otherwise approved by the Commission. Least cost is therefore not mandatory with permission from the Commission, because purchases that have the "least cost" may not always be the most reasonable and prudent for the company or its customers because it must take into account total delivered cost, reliability, availability, and diversity of supply. However, the Commission's expectation is that absent such a showing, DESC will consistently seek out the least cost option.
- f. Prudence will be considered in affiliate transactions for Dominion Energy and its subsidiaries and will continue to be governed by the S.C. Code Ann. § 58-27-2090 (2015), which include transfer pricing protections for the benefit of customers. Existing provisions in South Carolina law ensure that affiliate transactions are tied to market rates and standard contract conditions for similar goods and services.

3. Any transfer of funds, such as loans, from DESC to Dominion Energy or to any other Subsidiary of Dominion Energy should be void of any affiliate preferences which would be unreasonable, unfair and have an injurious effect upon the public interest, consistent with S.C. Code Ann. § 58-27-2090 (2015), as amended. Any loans should be made at market rates with loan agreements similar to the standards at that time for similar types of loans. DESC must maintain records of such transactions necessary to demonstrate that the transaction was void of any affiliate preference. This requirement is applicable for any Regulated Subsidiary. This issue should be monitored annually.

4. DESC must ensure that its affiliated transactions are undertaken in accordance with the provisions of S.C. Code Ann., § 58-27-2090 (2015), as amended, and to maintain sufficient records of such transactions to permit full review by the Commission and ORS.

5. DESC must follow accepted regulatory methods and standards of allocating costs between the parent and subsidiaries of Dominion Energy. Allocation factors should be reported annually to the Commission. This requirement is also applicable to any Regulated Subsidiary.

6. No Subsidiary may be created by DESC or any Regulated Subsidiary without notification to the Commission. Notice of the formation of a new Subsidiary must be filed with the Commission. The notification to be provided by DESC will include an overview of each new Subsidiary's intended type of operation and explain the expected impact of each new Subsidiary's operations on the regulated operations of DESC.

7. DESC and any other Regulated Subsidiary must timely notify the Commission of any joint ventures and joint financial arrangements entered into by DESC or the Regulated Subsidiary. The notification provided by DESC or the Regulated Subsidiary will contain an overview of the new joint venture's intended operations and explain the expected impact of the joint venture on the regulated operations of DESC and confirm such joint venture will not adversely impact the financial condition of DESC.

8. Each Subsidiary of Dominion Energy and SCANA (Regulated and Non-Regulated) must maintain separate books and records which identify transactions between Affiliates. The transactions between the Regulated and Non-Regulated Affiliates are to be monitored by the Commission.

9. DESC must maintain its books and records in a manner sufficient to identify "affiliated transactions" as defined in S.C. Code Ann. § 58-27-2090 (2015) and sufficient to permit review by the Commission.

10. DESC shall ensure the maintenance of separate books and records which identify all transactions between DESC and its Affiliates. ORS will review these books to verify transactions between DESC and its Affiliates.

11. DESC will maintain proper records for Commission review on the following:

- a. Joint employees of the various Affiliates.
- b. Common property between Regulated subsidiaries and Non-Regulated subsidiaries.

12. Any and all affiliate preferences are prohibited. Any business or financial transaction between DESC and any of its Affiliates must be conducted on an unaffiliated basis, fully auditable, reflecting all costs and should not permit or result in any cross-subsidization. This should be monitored annually.

13. DESC must issue a policy statement which provides for the avoidance of any affiliate preference which would be unreasonable, unfair and have an injurious effect upon the public interest, consistent with S.C. Code Ann. § 58-27-2090 (2015), as amended. Any updates to the policy statement must be filed on a timely basis with the Commission.

14. The officers of DESC and any Regulated Subsidiary shall not devote an inordinate amount of time with the establishment and operation of Non-Regulated subsidiaries of Dominion Energy to the detriment of DESC or any Regulated Subsidiary.

15. DESC shall notify the Commission when Dominion Energy or any of its subsidiaries have been retained to perform services in the capacity of a subcontractor or in some other type of financial arrangement on behalf of a contractor doing business with DESC. The notification will include a description of the financial arrangement, the name of the contractor/company with which the arrangements have been made, the type of services being performed, and how these arrangements impact the regulated operations of DESC.

C. REAL PROPERTY TRANSACTIONS

1. Any utility land or real property transfers between DESC and Dominion Energy, or DESC and SCANA, or DESC and any Affiliate, or to any other party, shall be made at Market Value. DESC must maintain records of such transactions necessary to demonstrate that the transaction was void of any affiliate preference. This requirement is also applicable to any Regulated Subsidiary. This issue should be monitored annually.

2. DESC and any Regulated Subsidiary must comply with South Carolina state law and Commission regulations pertaining to property transfers.

3. DESC will establish and implement the following procedures for the sale of real property:

- a. For sales of real property less than five (5) acres which is within the boundaries of hydroelectric projects subject to the jurisdiction of the FERC, DESC will conduct all sales in accordance with its hydro operating license. Pursuant to FERC rules, notification must be filed not less than forty-five (45) days "prior to the transaction" and must include a statement that State and Federal agencies with jurisdiction for environmental issues have been formally advised of the pendency of the transaction. DESC will restrict such land transfers to requesting owners of the adjacent property, transactions concerning such property will not be the subject of any competitive bidding process.
- b. For sales of real property with an appraised value in excess of \$1,000,000, DESC will engage in the following competitive bidding process.¹
 - i. Upon the receipt of an offer to purchase such property, DESC will advise the offeror that DESC will advertise to the public the availability of the property. The advertisement will describe the property and state that DESC will receive additional offers for a period of at least thirty (30) days.

¹ The appraised value must be determined by a state certified independent appraiser.

- ii. Upon acceptance of any offer, DESC will provide the Commission with an explanation for the acceptance of any offer other than the highest offer. If the original offer to purchase is made by an Affiliate of DESC and no other offers are timely received, the transfer of the property to DESC's Affiliate may be made at the appraised value of the property as determined by a state certified independent appraiser and the property must be transferred at Market Value. These procedures are applicable to utility property only.

4. On any occasion when Real Property is moved from a classification as utility property to a classification as non-utility property, DESC and any Regulated Subsidiary must provide prior notification for any transaction in excess of \$1,000,000 and an annual summary of the reclassification of utility property to non-utility property. The transaction that moves the Real Property from utility property to non-utility property must be made at book value.

5. Any gain or loss on the sale or other transfer of Real Property shall be accounted for under the FERC Chart of Accounts and generally accepted accounting principles and will be considered by the Commission on a case-by-case basis for ratemaking and other regulatory purposes.

D. CUSTOMER INFORMATION

1. DESC shall not disclose Customer Information to any Affiliate without the written consent of that Customer. Procedures must be established by DESC to comply with this recommendation. Upon development of the procedures, DESC is required to file a copy of the procedures with the Commission for approval.

E. INTERACTIONS AND DEALINGS WITH ORS PURSUANT TO ORDER NO. 2018-804

1. Dominion Energy and DESC are committed to compliance with all federal, state, and local laws that govern the services that it provides to South Carolina and its citizens. In furtherance of this commitment, DESC and its officers, employees, and agents are responsible for understanding the laws, rules, and regulations that apply to DESC and also have the responsibility to comply with both the spirit and the letter of the laws and regulations that apply to DESC. Moreover, DESC acknowledges and understands that it must be accurate and truthful in the preparation, review, and submissions of all records, reports, and other information provided to the Commission and ORS.

2. Dominion Energy and DESC shall communicate all material information within a reasonable period of time with ORS and the Commission and be transparent with regard to all non-privileged information. Further, Dominion Energy and DESC shall be subject to appropriate protections for confidential and proprietary information.

3. In addition, officers and employees of Dominion Energy, including DESC's local management, will continue to be accessible to regulators and lawmakers, including the Commission. As part of this and future regulatory proceedings, Dominion Energy and DESC will continue to provide information about Dominion Energy or its other subsidiaries relevant to matters within the Commission's jurisdiction to the Commission upon request of the Commission. In addition, Dominion Energy and DESC management will ensure local access to books and records of DESC, including local access to the books and records of Dominion Energy Southeast Services, Inc., and Dominion Energy Services, Inc., as well as any other Affiliate that provides services to and charges DESC, without limitation to specific future proceedings.

4. In providing accurate and truthful information, DESC, without waiving its rights to self-advocacy in supporting positions in regulatory proceedings before the Commission and specifically reserving all of its rights under the law, acknowledges that it must avoid the concealment, omission, misrepresentation, or nondisclosure of any material fact or information in any proceeding or filing before the Commission or ORS. To ensure that its employees and agents comply with this merger condition, DESC, on an annual basis, will provide specific training to all its employees informing them of the duties and responsibilities that must be followed when communicating with the Commission and ORS so as to avoid the concealment, omission, misrepresentation, or nondisclosure of any material fact or information in any proceeding or filing before the Commission or ORS. Proof of annual training, including certification, training agenda/outline, and attendance, will be provided to the Commission and ORS in writing on an annual basis.

IV. REPORTING REQUIREMENTS

DESC is required to file an affiliate transactions report on a calendar year basis by June 30 of each year. On June 30, 2019, DESC will file its affiliate transaction report for the twelve months ending December 31, 2018; however, because the reporting period ends on December 31, 2018, this report will not include any Dominion Energy information. For each affiliate transactions report filed after June 30, 2019, DESC is required to include Dominion Energy information consistent with the terms herein.

A. FINANCIAL TRANSACTIONS REPORTING REQUIREMENTS

In accordance with filing deadlines and requirements set forth in Section IV above, DESC shall:

1. File the rate of return on rate base, net assets, and common equity for DESC and any Regulated Subsidiary and the rate of return on net assets and common equity for consolidated Dominion Energy. This information should be based on the most recent calendar year data.

2. File the dollar amount of the capital structure at the end of the most recent calendar year for consolidated Dominion Energy, DESC, and any Regulated Subsidiary separated by component. (e.g., debt, preferred stock, equity, etc., and total.)

3. File the consolidated capital structure of the Regulated Subsidiaries of Dominion Energy and the consolidated capital structure for the Non-Regulated operations of Dominion Energy in dollar amounts at the end of the most recent calendar year separated by component. (e.g., debt, preferred stock, equity, etc., and total).

4. File the dollar amount of assets devoted to the Regulated, Non-Regulated, and consolidated operations of Dominion Energy at the end of the most recent calendar year.

5. Provide an income statement, balance sheet, and cash flow statement reflecting results of operations from Dominion Energy, DESC and any Regulated Subsidiary based on the most recent calendar year.

6. File:

(a) Bond rating, common stock rating, and preferred stock rating of Dominion Energy, DESC, and any other Regulated Subsidiary at the end of the latest calendar year. File all available ratings and notifications of any change in a security rating within fifteen (15) days or as soon as possible. The notification will include the news release or other information for the rating agency setting forth the reason for the change.

(b) Notification of any changes in these ratings during the calendar year.

(c) Explanation for any changes in the security ratings during the prior twelve months.

(d) Immediate notification to the Commission of any changes in security ratings.

7. File:

(a) Notification of any issuances of common stock, long-term debt, or preferred stock by DESC, or any other Regulated Subsidiary.

(b) Approximate time of issue and dollar amount of issue.

(c) Explanation of the intended use of these funds, if they are issued specifically by a Regulated Subsidiary or earmarked for a Regulated Subsidiary or Non-Regulated Subsidiary.

(d) If the funds raised from an issuance were or are to be transferred from one Subsidiary to another or from Dominion Energy, DESC to a Regulated

Subsidiary, file information on the mechanism used to transfer these funds and the amount of such transfers.

(e) Actual cost of any issue of debt and preferred stock by Dominion Energy, DESC, or any Regulated Subsidiary during the calendar year.

8. File:

(a) Dollar amount of dividends paid out by Dominion Energy during the most recent calendar year.

(b) Percent of consolidated Dominion Energy's net income or earnings per share paid out as dividends to stockholders over the calendar year. (Dividends per share/earnings per share or dollar amount of dividends/net income).

(c) Explanation of the reason for any Significant changes in the payout ratio (Dividends per share/earnings per share, etc.) from the previous twelve months.

9. File:

(a) Dollar amount of dividends paid to Dominion Energy by DESC and any Regulated Subsidiary for each calendar year. File the total amount of dividends paid by all Subsidiaries to Dominion Energy.

(b) Percent of net income paid by DESC and each Regulated Subsidiary.

(c) Explanation of the reason for any Significant change in the payout ratios (dividends/net income) from the previous calendar year.

(d) Explanation of any Significant difference in the payout ratios of the regulated subsidiaries.

B. AFFILIATE TRANSACTIONS REPORTING REQUIREMENTS

In accordance with filing deadlines and requirements set forth in Section IV above DESC shall:

1. (a) File a record of any transfer of funds from/to Dominion Energy and any Regulated Subsidiary of Dominion Energy during the previous calendar year.

(b) File a description of the type of transfer.

(c) File the terms of the transfer.

(d) File a comparison of the terms of the transfer with current market terms and rates.

2. File a record of any Real Property transfers between DESC and Dominion Energy, DESC and any Regulated Subsidiary, or DESC and any other party for the past calendar year which includes:

- (a) Market value and how the market value was determined.
- (b) Book value at the time of transfer.
- (c) Original purchase price.
- (d) Selling price and terms of sale.
- (e) Gain or loss on transfer.
- (f) Identification of land or property transferred.
- (g) Parties involved in the transfer.
- (h) Number of bids received.

This is applicable for any Regulated Subsidiary.

3. File a record of goods and services sold or exchanged between DESC and Dominion Energy, SCANA, or any Regulated Subsidiary during the past calendar year. Compare the current market prices for such goods and services with the prices for which goods and services were exchanged or sold between DESC, Dominion Energy, SCANA or any Regulated Subsidiary.

4. (a) File information on the methodologies used for the allocation of costs between Dominion Energy and its Subsidiaries.

(b) File allocation factors.

5. (a) File a record of any type of collateral belonging to DESC used to support any financial arrangement on behalf of any Subsidiary of Dominion Energy.

(b) File information on the type of financial arrangement involved.

(c) File a description of the collateral pledged in support of the financing arrangement.

(d) File the reason for pledging any assets as collateral for an affiliate.

6. File the percent of time each officer of DESC and any Regulated Subsidiary allocated to each subsidiary of Dominion Energy for the prior calendar year.

7. File a summary of affiliated transactions by each regulated affiliate by type of transaction completed during the year. The summary will include the gross dollar amount of each transaction and a reference to any relevant contract of agreement.

8. File a statement certifying that all affiliated transactions were determined consistent with any procedures or requirements approved by the Commission.

9. (a) File information on any new contracts and leases with affiliated companies and a brief description of each contract including the terms, price, quantity and duration.

(b) File information as to whether competitive bids were taken.

10. File a list of employees earning more than \$125,000 annually transferred to/from the Regulated Subsidiary to another Affiliated company. The listing will contain the following information for each affected employee:

a. Old job assignment with Regulated Subsidiary.

b. New job assignment at the Affiliate.

c. Whether transfer is permanent or temporary; and if temporary, the expected duration.

11. DESC and any Regulated Subsidiary is required to keep supporting records of reported transactions to facilitate auditing and analysis and shall maintain an audit trail from the summary report through the general ledger to the source documents supporting the transaction.

12. DESC and any Regulated Subsidiary will maintain for Commission review (not to be filed annually) written reports of individual affiliated transactions.

13. DESC will develop and file with the Commission a policy statement prohibiting affiliate preferences in the conduct of its affiliated transactions. DESC will modify its policy statement as necessary and file the modified policy statement with the Commission.

14. (a) DESC, Dominion Energy, and any Regulated Subsidiary will file the names of any of their affiliated companies and a description of the business and financial operations of each company.

(b) For any new Subsidiary also file the initial amount of the investment and the source of funds used for the investment.

(c) The Commission will be notified of the creation of any new corporate Subsidiary of Dominion Energy or any of its Regulated subsidiaries within

twenty (20) days of either the filing of Articles of Incorporation or the final action creating the business entity.

(d) File an organizational chart for consolidated Dominion Energy and each Regulated subsidiary. The Commission shall be provided with an updated chart within twenty-five (25) days of any change.

(e) File information on any changes in corporate structure during the prior calendar year including any partnerships, minority interests, and joint ventures entered into by DESC, Dominion Energy or any Affiliates of Dominion Energy. This includes any such arrangements between DESC or any of its Affiliates with an external entity.

15. DESC will notify the Commission when it has retained the services of another contractor/company to perform services for DESC and the retained contractor/company thereafter utilizes the services of Dominion Energy or any of its Subsidiaries on the matter in question. The notification will be filed within twenty (20) days of the execution of the subcontract or other arrangement and will contain a summary of the arrangement, the name of the contractor/company providing the services, a statement whether the services were competitively bid, the procedure used by the contractor/company to retain Dominion Energy or any of its subsidiaries, the type of services being provided by Dominion Energy and any of its subsidiaries, and the manner in which these arrangements impact the regulated operations of DESC.

16. DESC shall make a filing with the Commission to seek approval for any proposed structural reorganization and shall not implement such reorganization until the Commission issues an order approving, rejecting, or modifying the planned reorganization.

C. REAL PROPERTY TRANSACTIONS REPORTING REQUIREMENTS

1. On any occasion that DESC or a Regulated Subsidiary accepts anything other than the highest bid for real property classified as utility property, that company must provide adequate justification to the Commission.

2. DESC will file with the Commission the following:

a. For sales of real property classified as utility property with an appraisal in excess of \$1,000,000 and DESC accepts a bid other than the highest bid, DESC will provide an explanation as to why it accepted an offer other than the highest bid.

3. (a) On any occasion when real property is moved from a classification as utility property to a classification as non-utility property, DESC and any Regulated Subsidiary must provide timely notification of such a transaction to the Commission. This notification will be included in the annual summary of the reclassification of utility property to non-utility property.

(b) Prior notification will be provided to the Commission for any reclassification transaction in excess of \$1,000,000, and an annual summary of the reclassification of utility property to non-utility property will be filed with the Commission. The transaction that moves the property from utility to non-utility will be made at book value. DESC will include an explanation stating the reason for the transfer, if known.

D. PROPRIETARY CUSTOMER INFORMATION REPORTING REQUIREMENTS

1. DESC will file a copy of the procedures that were established to comply with the recommendation that DESC will not disclose proprietary customer information without the written consent of the customer.